1 A bill to be entitled 2 An act relating to craft brewers; amending s. 561.221, 3 F.S.; clarifying exceptions to the three-tier system; 4 setting requirements and parameters for manufacturers 5 obtaining vendor's licenses; providing a definition; 6 amending s. 561.42, F.S.; deleting the prohibition 7 against manufacturers and distributors conducting 8 tastings; amending s. 561.5101, F.S.; updating a 9 cross-reference; amending s. 562.34, F.S.; providing 10 that possessing and transporting growler containers is lawful; amending s. 563.022, F.S.; clarifying the 11 12 treatment of malt beverages brewed in collaboration between two manufacturers; permitting limited self-13 distribution by manufacturers; amending s. 563.06, 14 15 F.S.; providing a definition; setting requirements for growlers; creating s. 563.09, F.S.; allowing malt 16 17 beverage tastings to be conducted by manufacturers and distributors with limitations; providing an effective 18 19 date. 20 Be It Enacted by the Legislature of the State of Florida: 21 23 Subsections (2) and (3) of section 561.221, Section 1.

22

24

Florida Statutes, are amended to read:

25 Retail exceptions to manufacturing licenses and 26 brewing exceptions to vendor licenses Licensing of manufacturers

Page 1 of 14

## **PCB BPRS 14-02**

and distributors as vendors and of vendors as manufacturers; conditions and limitations.—

- (2) A manufacturer of malt beverages who is licensed and engaged in the manufacture of malt beverages in this state may sell directly to consumers in face-to-face transactions as follows:
- (a) At a taproom, malt beverages brewed by the manufacturer or in collaboration with other manufacturers may be sold to consumers for on-premises or off-premises consumption without obtaining a vendor's license. Taprooms are subject to the following requirements:
- 1. The taproom must be a room or rooms located on the manufacturing licensed premises consisting of a single complex, which shall include a brewery. Such premises may be divided by no more than one public street or highway. The taproom shall be included on the sketch or diagram defining the licensed premises submitted with the manufacturer's license application. All sketch or diagram revisions by the manufacturer shall require the division's approval verifying that the taproom operated by the licensed manufacturer is owned or leased by the manufacturer and on licensed manufacturing premises.
- 2. At least 70 percent of the malt beverages sold to consumers in the taproom, per calendar year, shall be brewed on the licensed manufacturing premises. Malt beverages brewed in collaboration with other manufacturers shall not be included in the 70 percent. No more than 30 percent of the malt beverages

Page 2 of 14

#### **PCB BPRS 14-02**

- sold to consumers at the taproom, per calendar year, may be brewed by the manufacturer at other manufacturing premises and shipped to the licensed manufacturing premises pursuant to s. 563.022(14)(d) or brewed in collaboration with other manufacturers.
- 3. Malt beverages may be sold to consumers at the taproom for off-premises consumption in authorized containers pursuant the requirements set forth in s. 563.06(6) and (7).
- 4. The manufacturer of malt beverages pursuant to this subsection shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverage sold or given to consumers in the taproom each month and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month.
- 5. Nothing in this subsection precludes a licensed manufacturer of malt beverages with a taproom from also holding a permanent food service license at the taproom.
- 6. No manufacturer may hold a vendor license at a licensed manufacturing premises operating a taproom pursuant to this paragraph.
- (b) In lieu of a taproom, the The division is authorized to issue a vendor's license licenses to a manufacturer of malt beverages at no more than two manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license if the following requirements are met:, even if such manufacturer is also licensed as a distributor, for the sale of

Page 3 of 14

#### PCB BPRS 14-02

alcoholic beverages on property consisting of a single complex, which property shall include a brewery and such other structures which promote the brewery and the tourist industry of the state. However, such property may be divided by no more than one public street or highway.

- 1. A licensed manufacturer may obtain one vendor's license per licensed manufacturing premises for up to two of the manufacturer's premises. Any additional manufacturing premises for which the manufacturer has an interest, directly or indirectly, in the license may operate a taproom without a vendor's license pursuant to the requirements set forth in paragraph (a).
- 2. The vendor's license shall be located on the manufacturing premises consisting of a single complex, which shall include a brewery. Such premises may be divided by no more than one public street or highway. The vendor licensed premises shall be included on the sketch or diagram defining the licensed premises submitted with the manufacturer's license application. All sketch or diagram revisions by the manufacturer shall require the division's approval verifying that the vendor premises operated by the licensed manufacturer is owned or leased by the manufacturer and on the licensed manufacturing premises.
- 3. The manufacturer may sell alcoholic beverages under its vendor's license as follows:

Page 4 of 14

**PCB BPRS 14-02** 

104	a. Malt beverages manufactured on the licensed premises; at
105	another manufacturing premises for which the manufacturer has an
106	interest, directly or indirectly, in the license; or in
107	collaboration with another manufacturer for:
108	(I) On-premises consumption.
109	(II) Off-premises consumption in authorized containers,
110	pursuant to s. 563.06(6).
111	(III) Off-premises consumption in growlers, pursuant to s.
112	563.06(7).
113	b. Malt beverages manufactured exclusively by other
114	manufacturers for:
115	(I) On-premises consumption.
116	(II) Off-premises consumption in authorized containers,
117	pursuant to s. 563.06(6).
118	(III) Off-premises consumption in growlers, pursuant to s.
119	563.06(7), by holders of a quota license.
120	c. Any wine or liquor for on-premises or off-premises
121	consumption as authorized under its vendor's license.
122	4. The manufacturer of malt beverages pursuant to this
123	subsection shall be responsible for applicable reports pursuant
124	to ss. 561.50 and 561.55 with respect to the amount of malt
125	beverages manufactured and sold pursuant to their vendor's
126	license, or given to consumers each month, including malt
127	beverages brewed in collaboration with another manufacturer, and
128	shall pay applicable excise taxes thereon to the division by the
129	10th day of each month for the previous month.

Page 5 of 14

# **PCB BPRS 14-02**

	5.	Noth	ning	in	this	subse	ction	pred	clude	s a	license	<u>ed</u>	
manuf	facti	urer	of r	nalt	beve	erages	with	a ve	endor	' s	license	from	also
holdi	ing a	a pei	rmane	ent	food	servi	ce lid	cense	e at	the	taproor	n.	

- (3) The division is authorized to issue a manufacturer's license and a vendor's license to a brewpub. The brewpub may only obtain a consumption-on-premises vendor's license pursuant to s. 563.02, or a quota license pursuant to ss. 561.20(1) and 565.01(1)(a)-(f), and may sell alcoholic beverages according to those licenses and as approved for in paragraph (a).
- (a) In order to operate as a brewpub, the following requirements must be met Notwithstanding other provisions of the Beverage Law, any vendor licensed in this state may be licensed as a manufacturer of malt beverages upon a finding by the division that:
- 1. The <u>brewpub</u> vendor will be engaged in brewing malt beverages at a single <u>licensed brewpub premises</u> <del>location</del> and in an amount which will not exceed 10,000 kegs per <u>calendar</u> year. For purposes of this subsection, the term "keg" means 15.5 gallons.
- 2. A brewpub may sell alcoholic beverages in face-to-face transactions with consumers as follows:
- a. Malt beverages manufactured on the licensed premises
  for:
  - (I) On-premises consumption.
- (II) Off-premises consumption in growlers, pursuant to s. 563.06(7).

Page 6 of 14

## **PCB BPRS 14-02**

130

131132

133

134135

136

137

138

139

140

141

142143

144

145

146

147

148

149

150

151

152

153

156	b. Malt beverages manufactured exclusively by other
157	manufacturers for:
158	(I) On-premises consumption as authorized under its
159	vendor's license.
160	(II) Off-premises consumption in authorized containers,
161	pursuant to s. 563.06(6) as authorized under its vendor's
162	license.
163	(III) Off-premises consumption in growlers, pursuant to s.
164	563.06(7), by holders of a quota license.
165	c. Any wine or liquor for on-premises or off-premises
166	consumption as authorized under its vendor's license.
167	2. The malt beverages so brewed will be sold to consumers
168	for consumption on the vendor's licensed premises or on
169	contiguous licensed premises owned by the vendor.
170	3. The brewpub may not ship malt beverages to or between
171	licensed brewpub premises owned by the licensed entity. A
172	brewpub is not a manufacturer for the purposes of s.
173	563.022(14).
174	4. The brewpub may not distribute or sell malt beverages
175	outside the licensed brewpub premises.
176	5. The brewpub must hold a permanent food service license.
177	(b) The brewpub Any vendor which is also licensed as a
178	manufacturer of malt beverages pursuant to this subsection shall
179	be responsible for applicable reports pursuant to ss. 561.50 and

Page 7 of 14

561.55 with respect to the amount of beverage manufactured each

month and shall pay applicable excise taxes thereon to the

**PCB BPRS 14-02** 

180

181

division by the 10th day of each month for the previous month.

- (c) It shall be unlawful for any licensed distributor of malt beverages or any officer, agent, or other representative thereof to discourage or prohibit any <u>brewpub</u> vendor licensed as a manufacturer under this subsection from offering malt beverages brewed for consumption on the licensed premises of the vendor.
- (d) It shall be unlawful for any manufacturer of malt beverages or any officer, agent, or other representative thereof to take any action to discourage or prohibit any distributor of the manufacturer's product from distributing such product to a licensed brewpub vendor which is also licensed as a manufacturer of malt beverages pursuant to this subsection.
- Section 2. Paragraph (e) of subsection (14) of section 561.42, Florida Statutes, is amended to read:
- 561.42 Tied house evil; financial aid and assistance to vendor by manufacturer, distributor, importer, primary American source of supply, brand owner or registrant, or any broker, sales agent, or sales person thereof, prohibited; procedure for enforcement; exception.—
- (14) The division shall adopt reasonable rules governing promotional displays and advertising, which rules shall not conflict with or be more stringent than the federal regulations pertaining to such promotional displays and advertising furnished to vendors by distributors, manufacturers, importers, primary American sources of supply, or brand owners or

Page 8 of 14

# **PCB BPRS 14-02**

registrants, or any broker, sales agent, or sales person thereof; however:

- (e) Manufacturers, distributors, importers, brand owners, or brand registrants of beer, and any broker, sales agent, or sales person thereof, shall not conduct any sampling activities that include tasting of their product at a vendor's premises licensed for off-premises sales only.
- Section 3. Subsection (1) of section 561.5101, Florida Statutes, is amended to read:
  - 561.5101 Come-to-rest requirement; exceptions; penalties.-
- (1) For purposes of inspection and tax-revenue control, all malt beverages, except those manufactured and sold pursuant to s. 561.221(2) or (3), must come to rest at the licensed premises of an alcoholic beverage wholesaler in this state before being sold to a vendor by the wholesaler. The prohibition contained in this subsection does not apply to the shipment of malt beverages commonly known as private labels. The prohibition contained in this subsection shall not prevent a manufacturer from shipping malt beverages for storage at a bonded warehouse facility, provided that such malt beverages are distributed as provided in this subsection or to an out-of-state entity.
- Section 4. Subsections (1) and (3) of section 562.34, Florida Statutes, are amended to read:
  - 562.34 Containers; seizure and forfeiture.-
- (1) It shall be unlawful for any person to have in her or his possession, custody, or control any cans, jugs, jars,

Page 9 of 14

## **PCB BPRS 14-02**

bottles, vessels, or any other type of containers which are being used, are intended to be used, or are known by the possessor to have been used to bottle or package alcoholic beverages; however, this provision shall not apply to any person properly licensed to bottle or package such alcoholic beverages or to any person intending to dispose of such containers to a person, firm, or corporation properly licensed to bottle or package such alcoholic beverages, or to any person that has in her or his possession a growler, as defined in s. 563.06(7).

- (3) It shall be unlawful for any person to transport any cans, jugs, jars, bottles, vessels, or any other type of containers intended to be used to bottle or package alcoholic beverages; however, this section shall not apply to any firm or corporation holding a license to manufacture or distribute such alcoholic beverages and shall not apply to any person transporting such containers to any person, firm, or corporation holding a license to manufacture or distribute such alcoholic beverages, or to any person transporting a growler, as defined in s. 563.06(7).
- Section 5. Paragraph (d) of subsection (14) of section 563.022, Florida Statutes, is amended and paragraph (g) is added to said section, to read:
- 563.022 Relations between beer distributors and manufacturers.—
  - (14) MANUFACTURER; PROHIBITED INTERESTS.-
  - (d) Nothing in the Beverage Law shall be construed to

Page 10 of 14

## **PCB BPRS 14-02**

prohibit a manufacturer from shipping products to or between its <a href="licensed">licensed manufacturing premises</a> breweries without a distributor's license. Malt beverages brewed in collaboration between two manufacturers shall be considered products of both manufacturers and may be shipped to the licensed manufacturing premises of either manufacturer pursuant to this section.

- (g) Notwithstanding any provision of the Beverage Law, manufacturers may sell and ensure receipt of no more than 3000 gallons of malt beverages manufactured by the manufacturer, per calendar year, directly to vendors. The manufacturer shall be responsible for applicable reports pursuant to ss. 561.50 and 561.55 with respect to the amount of malt beverage sold pursuant to this paragraph, including malt beverages brewed in collaboration with another manufacturer, and shall pay applicable excise taxes thereon to the division by the 10th day of each month for the previous month. The sale and delivery of malt beverages pursuant to this subsection shall not be considered distribution under the Beverage Law.
- Section 6. Subsections (1), (6), and (7) of section 563.06, Florida Statutes, are amended to read:
- 563.06 Malt beverages; imprint on individual container; size of containers; growlers; exemptions.—
- (1) All On and after October 1, 1959, all taxable malt beverages packaged in individual containers possessed by any person in the state for the purpose of sale or resale in the state, except operators of railroads, sleeping cars, steamships,

Page 11 of 14

# **PCB BPRS 14-02**

buses, and airplanes engaged in interstate commerce and licensed under this section, shall have imprinted thereon in clearly legible fashion by any permanent method the word "Florida" or "FL" and no other state name or abbreviation of any state name in not less than 8-point type. The word "Florida" or "FL" shall appear first or last, if imprinted in conjunction with any manufacturer's code. A facsimile of the imprinting and its location as it will appear on the individual container shall be submitted to the division for approval.

- subsection (7) below, all All malt beverages packaged in individual containers sold or offered for sale by vendors at retail in this state shall be in individual containers containing no more than 32 ounces of such malt beverages; provided, however, that nothing contained in this section shall affect malt beverages packaged in bulk or in kegs or in barrels or in any individual container containing 1 gallon or more of such malt beverage regardless of individual container type.
- (7) (a) The term "growler" as used in the Beverage Law, means any 32 ounce, 64 ounce, 128 ounce, 1 liter, or 2 liter container originally manufactured to hold malt beverages.
- (b) Growlers may be filled or refilled with malt beverages as follows:
- 1. With malt beverages manufactured by the manufacturer who holds a valid manufacturer license and has a taproom pursuant to s. 561.221(2)(a).

Page 12 of 14

## **PCB BPRS 14-02**

	2.	With	malt	beverages	manufac	ctured	by	the	manufa	acturer	who
holds	a	valio	d manı	ufacturer	license	and a	val	id	vendor	license	<u> </u>
pursu	ıan	t to :	s. 563	1.221(2)(b	) <b>.</b>						

- 3. With any malt beverages, by a manufacturer who holds a valid manufacturer license pursuant to s. 561.221(2) and a valid quota license pursuant to ss. 561.20(1) and 565.01(1)(a)-(f).
- 4. With any malt beverages by a vendor who holds a valid quota license pursuant to ss. 561.20(1) and 565.01(1)(a)-(f).
- (c) The container must have an unbroken seal or be incapable of being immediately consumed.
- (d) The container must be clearly labeled as containing an alcoholic beverage and provide the name of the manufacturer, the brand, the volume, the percentage of alcohol by volume, and the required federal health warning notice for alcoholic beverages. If the growler being refilled has an existing label or other identifying mark from a manufacturer or brand, that label shall be covered sufficiently to indicate the manufacturer and brand of the malt beverage placed in the container.
  - (e) The container shall be clean prior to filling.
- (f) Licensees authorized to fill growlers may not use growlers for purposes of distribution or sale outside the manufacturer's or vendor's licensed premises.
- (8) (7) Any person, firm, or corporation, its agents, officers or employees, violating any of the provisions of this section, shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083; and the

Page 13 of 14

## **PCB BPRS 14-02**

338	license, if any, shall be subject to revocation or suspension by
339	the division.
340	Section 7. Section 563.09, Florida Statutes, is created to
341	read:

- 563.09 Malt beverage tastings by distributors and manufacturers.-A licensed distributor of malt beverages or a manufacturer of malt beverages may conduct a malt beverage tasting upon a licensed premises authorized to sell alcoholic beverages by package or for consumption on the premises if the tasting is conducted as follows:
- (1) The malt beverage tasting is limited to and directed toward members of the general public who are of the age of legal consumption.
- (2) Samples of malt beverages must be no more than two ounces for each product sampled.
- (3) A sample of malt beverage may not be offered from more than eight products at any one tasting.
- (4) A person shall not be served more than one sample of each malt beverage.
- (5) Tastings may be held between the hours of 10 a.m. and 8 p.m.
- 359 Section 8. This act shall take effect July 1, 2014.

Page 14 of 14

**PCB BPRS 14-02** 

338

342

343

344

345

346

347

348

349

350

351

352

353

354

355

356

357

358